

**Houma Area Convention  
and Visitors Bureau**

Annual Financial Report  
As of and for the  
Year Ended December 31, 2014

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Annual Financial Report  
As of and for the Year Ended December 31, 2014

**Table of Contents**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 3
<b>Management's Discussion and Analysis</b>	4 - 8
<b>Financial Statements</b>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Fund Type - General Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Type - General Fund	12
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund to the Statement of Activities	14
Combined Balance Sheet - All Fund Types	15
Notes to Financial Statements	16 - 26
<b>Required Supplemental Information</b>	
Budgetary Comparison Schedule	27
<b>Supplemental Information</b>	
Schedule of Expenditures - General Fund	28
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	29
<b>Special Reports of Certified Public Accountants</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> Standards	30 - 31
<b>Schedule of Findings and Responses</b>	32 - 33
<b>Management's Corrective Action Plan for Current Year Findings</b>	34
<b>Schedule of Prior Findings and Responses</b>	35

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Houma Area Convention and Visitors Bureau as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 and the budgetary comparison schedule on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Houma Area Convention and Visitors Bureau's basic financial statements. The Schedule of Expenditures – General Fund on page 28 and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director on page 29 are presented for purposes of additional analysis and are not a required part of the financial statements.

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government

The Schedule of Expenditures – General Fund and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures – General Fund and the Schedule of Compensation, Benefits, and Other Payments to the Executive Director are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2015, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.



Houma, Louisiana  
June 23, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Management's Discussion and Analysis  
December 31, 2014

As management of the Houma Area Convention and Visitors Bureau (HACVB), we offer readers of HACVB's financial statements this narrative overview and analysis of the financial activities of HACVB for the year ended December 31, 2014.

**FINANCIAL HIGHLIGHTS**

- Houma Area Convention and Visitors Bureau's assets exceeded its liabilities by \$4,484,490 (net position) as of December 31, 2014.
- Revenues exceeded expenditures by \$1,204,393 during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to HACVB's financial statements. The Houma Area Convention and Visitors Bureau's financial statements consist of the following components:

**Statement of Net Position.** This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

**Balance Sheet – Governmental Fund Type – General Fund.** This statement presents the HACVB's assets, liabilities, and fund balance for its general fund only.

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund.** Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in fund balance.

**Combined Balance Sheet – All Fund Types.** This statement presents the Houma Area Convention and Visitors Bureau's assets and liabilities for all fund types, with the difference of assets and liabilities reported as fund balance. The fluctuation in fund balance can be used as an indication of whether the financial position of HACVB is improving or deteriorating. This statement does not include capital assets or long term obligations.

**Notes to Financial Statements.** The accompanying notes provide additional information essential to a full understanding of the data provided in the financial statements.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Management's Discussion and Analysis  
December 31, 2014

**BASIC FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of HACVB, assets exceeded liabilities by \$4,484,490 at the close of the most recent year, December 31, 2014. The largest portion of HACVB's total assets is cash (57%) and investments (19%). HACVB's Net Position is as follows:

**HACVB's Net Position**

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
Current assets	\$ 5,021,433	\$ 2,489,640
Capital assets, net of accumulated depreciation	1,076,215	898,466
<b>TOTAL ASSETS</b>	<b>\$ 6,097,648</b>	<b>\$ 3,388,106</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 90,484	\$ 46,315
Compensated absences payable	22,674	31,694
Certificate of indebtedness		
Due within one year	130,000	30,000
Due in more than one year	1,370,000	-
<b>TOTAL LIABILITIES</b>	<b>1,613,158</b>	<b>108,009</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	849,873	868,466
Restricted	-	51,903
Unrestricted	3,634,617	2,359,728
Total net position	4,484,490	3,280,097
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 6,097,648</b>	<b>\$ 3,388,106</b>

- Capital assets, which were reported net of accumulated depreciation, account for 18% of the total assets of HACVB for the most recent year ended.
- The certificate of indebtedness accounts for 93% of total liabilities.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Management's Discussion and Analysis  
December 31, 2014

**BASIC FINANCIAL ANALYSIS (Cont.)**

During the year, HACVB's net position increased by \$1,204,393. The elements of the increase are as follows:

**HACVB's Changes in Net Position**

	<b>For the Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>		
State taxes	\$ 1,876,429	\$ 675,000
Parish taxes	1,015,133	959,583
Grants	-	28,000
Total operating revenues	<u>2,891,562</u>	<u>1,662,583</u>
<b>EXPENSES</b>		
Other services and charges	1,126,839	1,052,191
Personal services	456,429	461,341
Depreciation	40,875	39,767
Supplies and materials	28,372	18,531
Repairs and maintenance	20,261	29,028
Total operating expenses	<u>1,672,776</u>	<u>1,600,858</u>
<b>NET REVENUE</b>	<u>1,218,786</u>	<u>61,725</u>
<b>GENERAL REVENUES</b>		
Interest earned	2,454	1,634
Other	765	4,069
Total general revenues	<u>3,219</u>	<u>5,703</u>
<b>OTHER EXPENSE</b>	<u>17,612</u>	<u>1,384</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,204,393</u>	<u>\$ 66,044</u>

As indicated above, net position increased by \$1,204,393. This increase is primarily attributable to the increase in revenues from state taxes.

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Management's Discussion and Analysis  
December 31, 2014

**CAPITAL ASSETS**

As of December 31, 2014, the Bureau had \$1,076,215 invested in capital assets.

	<u>2014</u>	<u>2013</u>
Land	\$ 306,313	\$ 306,313
Construction in progress	218,714	22,372
Automobiles	74,223	74,223
Office furniture and equipment	270,156	247,874
Building	722,217	722,217
Subtotal	1,591,623	1,372,999
Less accumulated depreciation	(515,408)	(474,533)
	<u>\$ 1,076,215</u>	<u>\$ 898,466</u>

**CERTIFICATES OF INDEBTEDNESS**

In May 2014, the Bureau issued a new certificate of indebtedness for \$1,500,000. The previous certificate of indebtedness, carrying a balance of \$30,000 as of December 31, 2013, was paid out during 2014. Interest paid in the governmental funds was \$17,612 for 2014. More detailed information about the certificates of indebtedness is presented in the Notes to Financial Statements.

**ORIGINAL VS. REVISED BUDGET**

As a matter of practice, the Bureau amended its budget five times during the fiscal year. The budget for revenues was increased as follows:

**Revenues**

Total revenues revised budget	\$ 2,606,968
Total revenues original budget	<u>1,500,000</u>
	<u>\$ 1,106,968</u>

The Bureau's actual revenues were more than the revised budgeted revenues by \$287,813, a favorable variance of 11%.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Management's Discussion and Analysis  
December 31, 2014

**Expenditures**

The Bureau's budget for expenditures was decreased as follows:

Total expenditures revised budget	\$ 1,865,952
Total expenditures original budget	1,881,560
	<u>\$ (15,608)</u>

The Bureau's actual expenditures exceeded the revised budgeted expenditures by \$32,185, a variance of 2%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of HACVB's finances for all those with such an interest. Call the HACVB office (985-868-2732) attention Ms. Sharon Alford, Executive Director, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

## **FINANCIAL STATEMENTS**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Statement of Net Position  
December 31, 2014

	<b>Government Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 3,485,579
Investments	1,183,900
Taxes receivable	316,245
Due from Terrebonne Parish Consolidated Government	26,695
Prepaid insurance	7,267
Prepaid expense	1,747
Total current assets	<u>5,021,433</u>
Capital assets, net of accumulated depreciation of \$515,408	<u>1,076,215</u>
<b>TOTAL ASSETS</b>	<u>6,097,648</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	90,484
Compensated absences payable	22,674
Total current liabilities	<u>113,158</u>
Certificate of indebtedness	
Due within one year	130,000
Due in more than one year	<u>1,370,000</u>
<b>TOTAL LIABILITIES</b>	<u>1,613,158</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	849,873
Unrestricted	<u>3,634,617</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 4,484,490</u></u>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Statement of Activities  
For the Year Ended December 31, 2014

	<b>Government Activities</b>
<b>REVENUES</b>	
Taxes:	
State	\$ 1,876,429
Parish	<u>1,015,133</u>
<b>TOTAL REVENUES</b>	<u>2,891,562</u>
<b>EXPENSES</b>	
Economic development and assistance:	
Other services and charges	1,126,839
Personal services	456,429
Depreciation	40,875
Supplies and materials	28,372
Repairs and maintenance	<u>20,261</u>
<b>TOTAL EXPENSES</b>	<u>1,672,776</u>
<b>NET REVENUE</b>	<u>1,218,786</u>
<b>GENERAL REVENUES</b>	
Interest earned	2,454
Other	<u>765</u>
<b>TOTAL GENERAL REVENUES</b>	<u>3,219</u>
<b>OTHER EXPENSES</b>	
Interest expense	<u>17,612</u>
<b>CHANGE IN NET POSITION</b>	1,204,393
<b>NET POSITION</b>	
Beginning of year	<u>3,280,097</u>
End of year	<u><u>\$ 4,484,490</u></u>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Balance Sheet  
Governmental Fund Type  
General Fund  
December 31, 2014

**ASSETS**

Cash and cash equivalents	\$ 3,485,579
Investments	1,183,900
Taxes receivable	316,245
Due from Terrebonne Parish Consolidated Government	26,695
Prepaid insurance	7,267
Prepaid expense	<u>1,747</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 5,021,433</u></u>
---------------------	----------------------------

**LIABILITIES**

Accounts payable and accrued expenses	\$ 90,484
Compensated absences payable	<u>22,674</u>

<b>TOTAL LIABILITIES</b>	<u>113,158</u>
--------------------------	----------------

**FUND BALANCE**

Nonspendable Prepaid expenses	9,014
Unassigned	<u>4,899,261</u>

<b>TOTAL FUND BALANCE</b>	<u>4,908,275</u>
---------------------------	------------------

<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 5,021,433</u></u>
---	----------------------------

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Statement of Revenues, Expenditures,  
and Changes in Fund Balance-  
Governmental Fund Type  
General Fund  
For the Year Ended December 31, 2014

**REVENUES**

Taxes:

State	\$ 1,876,429
Parish	<u>1,015,133</u>

<b>TOTAL REVENUES</b>	<u>2,891,562</u>
-----------------------	------------------

**EXPENDITURES**

Economic development and assistance:

Other services and charges	1,103,972
Personal services	456,429
Capital expenditures	218,624
Debt service	70,479
Supplies and materials	28,372
Repairs and maintenance	<u>20,261</u>

<b>TOTAL EXPENSES</b>	<u>1,898,137</u>
-----------------------	------------------

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>993,425</u>
---	----------------

**GENERAL REVENUES**

Interest earned	2,454
Other	<u>765</u>

<b>TOTAL GENERAL REVENUES</b>	<u>3,219</u>
-------------------------------	--------------

**OTHER FINANCING SOURCES**

Proceeds from issuance of certificate of indebtedness	<u>1,500,000</u>
---	------------------

<b>CHANGE IN FUND BALANCE</b>	2,496,644
-------------------------------	-----------

**FUND BALANCE**

Beginning of year	<u>2,411,631</u>
-------------------	------------------

End of year	<u><u>\$ 4,908,275</u></u>
-------------	----------------------------

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position  
December 31, 2014

Total fund balance - total governmental funds	\$ 4,908,275
Amounts reported for governmental activities in the statement of net position are different because:	
Certificates of indebtedness are not due and payable in the current period and, therefore, are not reported in the funds.	(1,500,000)
Capital assets of \$1,591,623, net of accumulated depreciation of \$515,408, are not financial resources and, therefore, are not reported in the funds.	<u>1,076,215</u>
Total net position of governmental activities	<u><u>\$ 4,484,490</u></u>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance – Governmental Fund to the  
Statement of Activities  
For the Year Ended December 31, 2014

Change in fund balance - governmental fund	\$ 2,496,644
--	--------------

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental fund reports capital outlays as expenditures,  
whereas in the statement of activities, these costs are  
depreciated over their estimated useful lives.

Depreciation expense	(40,875)	
Capital outlays	<u>218,624</u>	177,749

The issuance of long-term debt provides current financial  
resources to governmental funds. This transaction has no  
effect on net position.

2014 Certificate of indebtedness issuance	(1,500,000)	
Principal payments of certificate of indebtedness	<u>30,000</u>	<u>(1,470,000)</u>

Change in net position of governmental activities	<u><u>\$ 1,204,393</u></u>
---	----------------------------

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Combined Balance Sheet –  
All Fund Types  
December 31, 2014

	<u>Governmental Fund Type General Fund</u>	<u>Fiduciary Fund Type Agency</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,485,579	\$ -	\$ 3,485,579
Investments	1,183,900	-	1,183,900
Taxes receivable	316,245	46,874	363,119
Due from Terrebonne Parish Consolidated Government	26,695	49,046	75,741
Prepaid insurance	7,267	-	7,267
Prepaid expense	1,747	-	1,747
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,021,433</u></u>	<u><u>\$ 95,920</u></u>	<u><u>\$ 5,117,353</u></u>
 <b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 90,484	\$ -	\$ 90,484
Compensated absences payable	22,674	-	22,674
Due to Houma-Terrebonne Civic Center	-	47,960	47,960
Due to Terrebonne Parish Consolidated Government	-	47,960	47,960
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>113,158</u>	<u>95,920</u>	<u>209,078</u>
 <b>FUND BALANCE</b>			
Nonspendable			
Prepaid expenses	9,014	-	9,014
Unassigned	4,899,261	-	4,899,261
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>4,908,275</u>	<u>-</u>	<u>4,908,275</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 5,021,433</u></u>	<u><u>\$ 95,920</u></u>	<u><u>\$ 5,117,353</u></u>

The accompanying notes are an integral part of this statement.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Houma Area Convention and Visitors Bureau (the Bureau) was created and established by Terrebonne Parish Police Jury Ordinance No. 1977 on May 3, 1977, authorized by Act 19 of the Louisiana Legislature of 1975 (R.S. 33-4574-3574,3). The Bureau was formed for the purpose of promoting tourism within the Parish of Terrebonne. The Bureau is composed of nine members, known as commissioners, who are authorized to do all things necessary for the promotion, advertisement, and publication of information relating to tourist attractions within its jurisdiction. The Bureau may also sue and be sued, accept grants or donations of every type, and make capital improvements for the purpose of obtaining federal funds. However, the Bureau may not exercise any function that results in competition with local retail businesses or enterprises. The Bureau is funded by a 5.0% tax on the occupancy of hotel rooms, motel rooms, and overnight camping facilities located within the boundaries of Terrebonne Parish and taxes collected by the state on the Bureau's behalf.

The accounting and reporting policies of the Bureau conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting policies:

**A. REPORTING ENTITY**

Because the Consolidated Government appoints the governing board and can therefore impose its will, the Houma Area Convention and Visitors Bureau was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability.

The accompanying financial statements present information only on the funds maintained by the Bureau and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Bureau has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

**B. METHOD OF ACCOUNTING**

GASB statements establish standards for external financial reporting for all state and local governmental entities which include a statement of net position and a statement of activities. It requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Bureau’s highest level of decision-making authority. The Board of Commissioners must vote on commitments.

Assigned – This component of fund balance is intended to be used by the Bureau for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Commissioners can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the Bureau’s general fund and includes all spendable amounts not contained in the other classifications.

Stabilization Funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

The financial statements of the Bureau are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

**C. FUND TYPES**

The Bureau reports the following fund types:

**Governmental Funds**

Governmental Funds are those through which governmental functions of the Bureau are financed. The acquisition, use and balances of the Bureau's expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Bureau:

General Fund - The General Fund is the general operating fund of the Bureau. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**Fiduciary Funds**

Fiduciary funds account for assets held by the Bureau in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is the Fiduciary Fund of the Bureau:

Agency Fund – The Agency Fund is used by the Bureau to receive and transfer funds allocated to the Houma-Terrebonne Civic Center and the Terrebonne Parish Consolidated Government.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-Wide Financial Statements (GWFS)**

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Fund Financial Statements (FFS)**

The amounts reflected in fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Bureau considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and other postemployment benefits which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**E. ENCUMBRANCES**

The Bureau does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

**F. OPERATING BUDGETARY DATA**

As required by Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the Bureau's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The budget was amended five times during the year. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**G. CASH AND CASH EQUIVALENTS**

The Bureau considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**H. BAD DEBTS**

The financial statements of the Bureau contain no allowance for bad debts. Uncollectible amounts due for taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Bureau.

**I. INVESTMENTS**

Investments are stated at cost, which approximates market.

**J. CAPITAL ASSETS**

Capital assets are presented on the Statement of Net Position.

Depreciation of all fixed assets is computed on the straight-line basis. Estimated useful lives of property and equipment are as follows:

Office equipment	5 - 7 years
Automobiles	5 years
Building	7 - 39 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**K. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates of the Bureau primarily relate to useful lives of fixed assets.

**L. MEMORANDUM ONLY – TOTAL COLUMNS**

The total column on the combined financial statements is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**M. COMPENSATED ABSENCES**

Full-time employees may accrue up to thirty days of vacation time, which begins to accrue after six months of employment. After an employee's six-month anniversary date, an employee will be granted six days of vacation time and, thereafter, will accrue one day at the end of each full calendar month of service. Accrued and earned vacation will be paid at the resignation or termination of an employee. The amount of accumulated vacation benefits as of December 31, 2014 was \$22,674.

After ninety days of employment, full-time employees are eligible for one day of sick leave per month of employment through the remainder of the first year of employment. Employees will receive ten days of paid sick leave per year for all subsequent years. Unused sick leave may accumulate up to thirty days. Sick leave is not a vested benefit and employees will not receive compensation for unused sick leave at the time of termination or departure from the Bureau.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Bank Deposits:**

Under state law, the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States Treasury.

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balance of deposits is as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 3,538,824	\$ 3,485,579
Certificates of deposit	21,855	21,845
Totals	<u>\$ 3,560,679</u>	<u>\$ 3,507,424</u>

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)**

Custodial credit risk is the risk that in the event of a bank failure, the Bureau's deposits may not be returned to it. The Bureau has a written policy for custodial credit risk. As of December 31, 2014, \$3,245,692 of the Bureau's bank balance of \$3,560,679 was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Bureau's name.

As of December 31, 2014, cash was adequately collateralized in accordance with state law by securities held by an unaffiliated bank for the account of the Bureau. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

**Investments:**

State statutes authorize the Bureau to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Bureau's investment policy limits investments to securities with maturity dates less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Bureau's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Bureau's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Bureau will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)**

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2014 amounted to \$1,162,055 and are classified on the Statement of Net Position as "Investments".

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$ 3,507,424
Reported amount of investments	<u>1,162,055</u>
Total	<u>\$ 4,669,479</u>
Cash	\$ 3,485,579
Investments	<u>1,183,900</u>
Total	<u>\$ 4,669,479</u>

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance January 1, 2014	Additions	Retirements	Balance December 31, 2014
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 306,313	\$ -	\$ -	\$ 306,313
Construction in progress	22,372	196,342	-	218,714
Total capital assets not being depreciated	<u>328,685</u>	<u>196,342</u>	<u>-</u>	<u>525,027</u>
Capital assets, being depreciated:				
Automobiles	74,223	-	-	74,223
Office furniture and equipment	247,874	22,282	-	270,156
Building	722,217	-	-	722,217
Total assets being depreciated	<u>1,044,314</u>	<u>22,282</u>	<u>-</u>	<u>1,066,596</u>
Less accumulated depreciation:				
Automobiles	(46,838)	(7,985)	-	(54,823)
Office furniture and equipment	(174,514)	(13,529)	-	(188,043)
Building	(253,181)	(19,361)	-	(272,542)
Total accumulated depreciation	<u>(474,533)</u>	<u>(40,875)</u>	<u>-</u>	<u>(515,408)</u>
Total capital assets being depreciated, net	<u>569,781</u>	<u>(18,593)</u>	<u>-</u>	<u>551,188</u>
Governmental activities capital assets, net	<u>\$ 898,466</u>	<u>\$ 177,749</u>	<u>\$ -</u>	<u>\$ 1,076,215</u>

**NOTE 4 – COMPENSATION OF BOARD MEMBERS**

As set forth in the Bureau's by-laws, the Board serves without compensation.

**NOTE 5 – DEFERRED COMPENSATION PLAN**

The Bureau established an IRC Section 457 Deferred Compensation Plan on April 18, 2001. Employees are allowed to contribute the lesser of 33 1/3% of includible compensation or

**Houma Area Convention and Visitors Bureau**  
**Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 5 – DEFERRED COMPENSATION PLAN (Cont.)**

\$17,500. The Bureau has elected to make employer matching funds available to those employees who have completed one year of active service. The Bureau made matching contributions to the plan for the year ended December 31, 2014 in the amount of \$25,874.

**NOTE 6 – CERTIFICATES OF INDEBTEDNESS**

On May 8, 2014, the Bureau signed a certificate of indebtedness of \$1,500,000 for the purpose of acquiring and constructing buildings and improvements for the Bureau, including necessary equipment and furnishings, and paying the costs incurred in connection with the issuance of the certificates. The agreement stipulates annual principal payments and semi-annual interest payments. The certificate of indebtedness carries an interest rate of 0.35% through 2015 and a maturity date of May 1, 2024. The balance on this certificate of indebtedness was \$1,500,000 as of December 31, 2014.

The certificate is secured by a pledge and dedication of the annual revenues above statutory, necessary and usual charges in each of the fiscal years during which the certificate is outstanding.

The following is a summary of changes in the certificates of indebtedness of the Bureau for the year ended December 31, 2014:

	<u>Certificates of Indebtedness</u>
Payable as of January 1, 2014	\$ 30,000
Debt incurred (Series 2014 certificate)	1,500,000
Debt retired (Series 2004 certificate)	<u>(30,000)</u>
Payable as of December 31, 2014	<u><u>\$ 1,500,000</u></u>

The requirements to amortize the certificate of indebtedness outstanding as of December 31, 2014 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 130,000	\$ 34,473	\$ 164,473
2016	135,000	33,570	168,570
2017	140,000	31,985	171,985
2018	145,000	29,806	174,806
2019	150,000	26,963	176,963
Thereafter	<u>800,000</u>	<u>71,081</u>	<u>871,081</u>
Totals	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 227,878</u></u>	<u><u>\$ 1,727,878</u></u>

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**  
Notes to Financial Statements  
As of and for the Year Ended December 31, 2014

**NOTE 7 – POST-EMPLOYMENT BENEFITS**

The Bureau does not offer post-employment benefits to its employees.

**NOTE 8 – RISK MANAGEMENT**

The Bureau is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the Bureau carries commercial insurance or other insurance for the losses to which it is exposed. The Bureau's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure and claims experience. The premium for auto liability is based on claims experience, vehicle type, and mileage.

**NOTE 9 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 23, 2015, which is the date the financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Budgetary Comparison Schedule  
Year Ended December 31, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Revised Budget Favorable/ (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>REVENUES</b>				
State taxes	\$ 700,000	\$ 1,677,368	\$ 1,876,429	\$ 199,061
Parish taxes	797,500	927,250	1,015,133	87,883
Interest earned	2,500	2,350	2,454	104
Other	-	-	765	765
<b>TOTAL REVENUES</b>	<b>1,500,000</b>	<b>2,606,968</b>	<b>2,894,781</b>	<b>287,813</b>
<b>EXPENDITURES</b>				
<u>Personal Services</u>				
Salaries	350,000	353,500	350,465	3,035
Group insurance	65,000	51,000	50,763	237
Payroll taxes	25,000	31,500	28,427	3,073
Pension	18,000	26,000	25,874	126
Workers comp insurance	1,500	1,310	900	410
Total personal services	459,500	463,310	456,429	6,881
<u>Supplies and Materials</u>				
Postage	7,000	17,000	16,551	449
Office supplies	12,000	12,000	11,821	179
Total supplies and materials	19,000	29,000	28,372	628
<u>Other Services and Charges</u>				
Marketing/advertising	713,500	701,250	681,036	20,214
Tourism development cooperative	238,000	103,535	103,517	18
Special events, public relations, and conventions	72,000	72,745	73,212	(467)
Professional fees	150,000	76,500	72,657	3,843
Travel/sales missions	50,000	62,500	61,184	1,316
Computer	29,000	21,650	21,562	88
Dues and subscriptions	22,000	20,100	19,954	146
Automobile	18,500	17,600	17,273	327
Training and professional development	18,000	12,689	12,689	-
General insurance	9,000	12,780	12,671	109
Telephone	12,000	11,500	11,415	85
Utilities	8,000	8,350	8,280	70
Rent - equipment	8,000	7,450	5,782	1,668
Storage rental	2,515	2,440	2,440	-
Bank charges	700	300	300	-
Total other services and charges	1,351,215	1,131,389	1,103,972	27,417
Repairs and maintenance	24,065	20,253	20,261	(8)
Debt service	7,780	30,000	70,479	(40,479)
Capital expenditures	20,000	192,000	218,624	(26,624)
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,881,560</b>	<b>\$ 1,865,952</b>	<b>\$ 1,898,137</b>	<b>\$ 32,185</b>

See Independent Auditor's Report.

## **SUPPLEMENTAL INFORMATION**

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Supplemental Information Schedule –  
Schedule of Expenditures – General Fund  
For the Year Ended December 31, 2014

**ECONOMIC DEVELOPMENT AND ASSISTANCE**

Personal Services

Salaries	\$ 350,465
Insurance	51,663
Payroll taxes	28,427
Pension	25,874
Total personal services	<u>456,429</u>

Supplies and Materials

Postage	16,551
Office supplies	11,821
Total supplies and materials	<u>28,372</u>

Other Services and Charges

Advertising	681,036
Tourism development cooperative	103,517
Special events, public relations, and conventions	73,212
Professional fees	72,657
Travel	61,184
Computer	21,562
Dues and subscriptions	19,954
Automobile	17,273
Training	12,689
General insurance	12,671
Telephone	11,415
Utilities	8,280
Rent - equipment	5,782
Rent - storage	2,440
Bank charges	300
Total other services and charges	<u>1,103,972</u>

Repairs and maintenance

20,261

Capital expenditures

218,624

Debt Service

Principal	30,000
Debt issuance costs	22,867
Interest	17,612
Total debt service	<u>70,479</u>

**TOTAL ECONOMIC DEVELOPMENT  
AND ASSISTANCE**

\$ 1,898,137

See Independent Auditor's Report.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Supplemental Information Schedule –  
Schedule of Compensation, Benefits, and Other  
Payments to the Executive Director  
For the Year Ended December 31, 2014**

**Agency Head Name:** Sharon Alford, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 67,586
Membership fees	16,662
Registration fees	10,081
Deferred compensation	8,278
Benefits - insurance	8,096
Travel	7,674
Reimbursements	3,432
Per diem	3,203
Car allowance/automobile expense	759
Service fees	701
Benefits - retirement	-
Benefits - other	-
Vehicle provided by government	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

See Independent Auditor's Report.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

**INDEPENDENT AUDITOR'S REPORT**  
**ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND**  
**OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED**  
**IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the government activities and each major fund of Houma Area Convention and Visitors Bureau (the Bureau), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated June 23, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material

Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. This item is listed as 2014-02.

#### Compliance and Other Matters

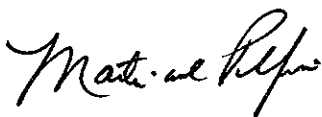
As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 2014-01.

#### The Bureau's Response to Findings

The Bureau's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Bureau's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of management, Board of Commissioners, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana  
June 23, 2015

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Schedule of Findings and Responses  
For the Year Ended December 31, 2014

**Section I – Summary of Auditor’s Results**

1. The auditor’s report expresses an unqualified opinion on the financial statements of the Houma Area Convention and Visitors Bureau.
2. One significant control deficiency (see finding 2014-02) was noted during the audit of the financial statements. This significant control deficiency was not considered a material weakness.
3. One instance of noncompliance (see finding 2014-01) required to be reported in accordance with *Government Auditing Standards* was disclosed during the audit.
4. A management letter was not issued.

**Section II – Financial Statement Findings**

**2014-01**

Statement of Condition: The Bureau’s cash deposits were under collateralized at one of its financial institutions during the month of May 2014.

Criteria: State law requires that deposits of all political subdivisions be fully collateralized at all times.

Effect of Condition: The Bureau was not in compliance with state law as related to bank deposits.

Cause of Condition: During the month of May 2014, the proceeds of a bond issuance were deposited into the Bureau’s bank account causing the bank balance to be in excess of FDIC coverage and the securities pledged by the depository bank. While the Bureau did contact the bank to increase its pledged securities, the bank did not do so until the beginning of the subsequent month.

Recommendation: In addition to contacting its fiscal agent bank prior to making a deposit that would cause its bank deposits to be under-collateralized, we recommend that the Bureau request and receive documentation ensuring that sufficient securities have been pledged.

Response: The management of the Houma Area Convention and Visitors Bureau agrees with this finding.

Questioned Costs:

\$ -0-

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

Schedule of Findings and Responses  
For the Year Ended December 31, 2014

**Section III – Internal Control Findings**

**2014-02**

Statement of Condition: A significant control deficiency in the Bureau's internal control.

Criteria: In our consideration of internal control, we noted that the size of the Houma Area Convention and Visitors Bureau's operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of the Houma Area Convention and Visitors Bureau and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Directors of the Houma Area Convention and Visitors Bureau should closely monitor the day-to-day activities of the Bureau.

Response: The management of the Houma Area Convention and Visitors Bureau agrees with this finding.

Questioned Costs: \$ -0-

**Section IV – Findings and Questioned Costs – Major Federal Award Program Audit**

This section is not applicable.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Management's Corrective Action Plan for Current Year Findings  
For the Year Ended December 31, 2014**

The contact person for all corrective actions noted below is Ms. Sharon Alford, Executive Director.

**Section I – Internal Control and Compliance**

**Inadequate Internal Control**

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Commissioners of the Bureau should closely monitor the day-to-day activities of the Bureau.

Planned Action: The Board of Commissioners will closely monitor the day-to-day activities of the Bureau.

**Under Collateralization of Cash Deposits**

Condition: The Bureau's cash deposits were under collateralized at one of its financial institutions during the month of May 2014.

Recommendation: In addition to contacting its fiscal agent bank prior to making a deposit that would cause its bank deposits to be under-collateralized, we recommend that the Bureau request and receive documentation ensuring that sufficient securities have been pledged.

Planned Action: The Bureau will implement the recommendation as detailed above.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Houma Area Convention and Visitors Bureau  
Terrebonne Parish Consolidated Government**

**Schedule of Prior Findings and Responses  
For the Year Ended December 31, 2014**

Note: The prior finding relates to the December 31, 2013 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**Inadequate Internal Control**

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Commissioners of the Organization should closely monitor the day-to-day activities of the Organization.

Planned Action: The Board of Commissioners will closely monitor the day-to-day activities of the Organization.

Status: Ongoing. The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.